



# Iowa Department of Human Services

Terry E. Branstad  
Governor

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Lt. Governor

Charles M. Palmer  
Director

## INFORMATIONAL LETTER NO.1785-MC-FFS

**DATE:** May 3, 2017

**TO:** Iowa Medicaid Nursing Facilities (NFs), Nursing Facilities for the Mentally Ill (NF/MIs), Skilled Nursing Facilities, (SNFs), Intermediate Care Facilities for Persons with Intellectual Disabilities (ICF/IDs)

**APPLIES TO:** Managed Care (MC), Fee-for-Service (FFS)

**FROM:** Iowa Department of Human Services (DHS), Iowa Medicaid Enterprise (IME)

**RE:** Billing Usual and Customary Charges

**EFFECTIVE:** Immediately

Historically, NF, NF/MI, SNF and ICF/ID providers billed the IME their current Medicaid rate at the time of billing and received rate adjustments when quarterly rates were issued.

When the IA Health Link managed care program began on April 1, 2016, a majority of members residing in a medical facility were enrolled into one of three Managed Care Organizations (MCOs).

The MCOs allow providers to bill for services at their usual and customary charge rate. If the provider's usual and customary charge rate is higher than the established Medicaid reimbursement rate, the providers will be reimbursed per the terms of their contract with the MCO. When provider reimbursement rates are adjusted, providers who have billed their usual and customary charge rate will not need to resubmit claims to receive the adjusted reimbursement rate. Providers will be able to resubmit a claim if an incorrect rate was listed on their original claim.

Providers should bill their usual and customary charge when submitting claims to the IME for Iowa Medicaid FFS members. This requirement is in accordance with the Code of Federal Regulations (CFR) Title 42 Section 413.13 which states that customary charges are the regular rates that providers charge both beneficiaries and other paying patients for services.

If you have questions, please contact the IME Provider Services Unit at 1-800-338-7909 or email at [imeproviderservices@dhs.state.ia.us](mailto:imeproviderservices@dhs.state.ia.us).